

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, SEPTEMBER 25, 2001**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, September 25, 2001 commencing at 7:02 a.m.

**A. ROLL CALL**

Present: Council Members – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays and Deputy City Clerk Perrin

**B. CITY COUNCIL CALENDAR UPDATE**

Deputy City Clerk Perrin reviewed the weekly calendar (filed).

**C. TOPIC(S)**

**C-1 "Proposed Peak Power Plant Site Tour"**

The City Council, staff, members of the press, and members of the audience boarded the City GrapeLine trolley in order to tour the proposed Peak Power Plant site located in the industrial area west of Guild Avenue and north of Thurman Road.

Electric Utility Director Vallow explained that staff has been looking at three potential sites for locating the City's Peak Power Plant: one is located across from General Mills, and the other two are within the City's industrial area. Diagrams of the preferred 7–8 acre site, located in the industrial area west of Guild Avenue and north of Thurman Road, were distributed to the City Council (filed). The City of Lodi would own and operate the plant and provide power to the State Department of Water Resources. The state needs power and does not want to be caught in another energy shortage; therefore, it is very interested in purchasing power (via a contract) from a municipally owned and operated power plant, which would guarantee the state service at a reasonable cost.

The City would have the benefit of reliability, which is particularly important in economic development, where the City would focus on attracting high-tech businesses that employ a large number of skilled employees at a higher rate of pay.

In response to Mayor Pro Tempore Pennino, Mr. Vallow explained that, under this contract with the state, the City would control 100% of the dispatching of utilities and own the plant after 15 years. The plant would allow the City to be energy self-sufficient for 85-90% of the hours per year, and it would be unnecessary for the City to import power.

When determining a location for a power plant, there must be a substation in which to connect to as well as a fuel supply. In addition, the process to build a plant follows a lengthy, convoluted schedule, and staff is working diligently to stay on course with this timeline. The Council will soon be required to make two decisions: one of which is concurrence on the project, the other pertains to requirements of the California Environmental Quality Act (CEQA). The initial steps in this schedule involve obtaining an Air Permit through the state and applying for a Use Permit with the Community Development Department for the CEQA requirements. Because this process involves several parties representing electric, gas, financial, and political interests, there is a sense of urgency in this matter.

Mr. Vallow reported that Pacific Gas & Electric (PG&E) and Lodi Gas Storage serve as two options for the City to purchase natural gas. There are transmission lines in place to carry high-pressure gas, eliminating the need for compression on site. It would not be practical to supply our own natural gas because of the cost involved and due to the fact that the demand to buy this resource is not great.

*Continued September 25, 2001*

Mr. Vallow cautioned that the power crisis is far from over and in-fact may only be in the beginning stages. We could be faced with the same energy problems two years from now. With the Peak Power Plant, the City of Lodi would be one of the state's providers of power. Under the contract, after the first three years, the output would belong to the City, and after 15 years, the City would own the plant; however, control of the energy would be the City's during the entire 15 years and thereafter as well. The contract is in the final stages of preparation, and it is anticipated that it will come to Council in the very near future. In addition, at the next Shirtsleeve Session, staff will discuss with Council the financing options for the Peak Power Plant.

(NOTE: The balance of the meeting resumed at the Carnegie Forum.)

Council Member Howard expressed her agreement that the proposed Peak Power Plant site is the ideal location because it is in an industrial area, is adjacent to the current electrical services already in place, and it has the potential to connect with PG&E and Lodi Gas Storage.

Electric Utility Director Vallow reiterated that this is a lengthy, involved process and things could change at any time.

**D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**E. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at approximately 8:11 a.m.

ATTEST:

Jennifer M. Perrin  
Deputy City Clerk

## Mayor's & Council Member's Weekly Calendar

### WEEK OF SEPTEMBER 25, 2001

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#### Tuesday, September 25, 2001

- 7:00 a.m. Shirtsleeve Session  
1. Proposed Peak Power Plant Site Tour (EUD)
- 5:30 p.m. Grand Opening and ribbon cutting of River's Edge Apartments, 505 Pioneer Drive.
- 5:30 - 8:30 p.m. Nakanishi. Welcoming reception for new physicians to the Lodi Memorial Hospital, Wine and Roses Cellar Room.

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#### Wednesday, September 26, 2001

- Reminder Hitchcock, Howard and Land. NCPA Annual Conference, South Lake Tahoe, 9/26 - 28.
- 3:00 - 5:00 p.m. SJC Office of Education Partnership for Tomorrow's celebration to honor and recognize participation in School-to-Career, hosted by (and held at) Stockton Metropolitan Airport.
- 7:00 p.m. Library Town Hall Meeting to discuss the Library Facilities Master Plan, Lodi Public Library ~ Bud Sullivan Community Room.

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#### Thursday, September 27, 2001

- Reminder Hitchcock, Howard and Land. NCPA Annual Conference, South Lake Tahoe, 9/26 - 28.
- 5:30 p.m. Pennino. COG Meeting.
- 5:30 - 8:30 p.m. Chamber Lodi Industrial Group Barbecue, Lodi Lake ~ Parson's Point.

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#### Friday, September 28, 2001

- Reminder Hitchcock, Howard and Land. NCPA Annual Conference, South Lake Tahoe, 9/26 - 28.

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#### Saturday, September 29, 2001

- 6:00 p.m. An Evening at the Library, a celebration of the "Art of Story Telling."

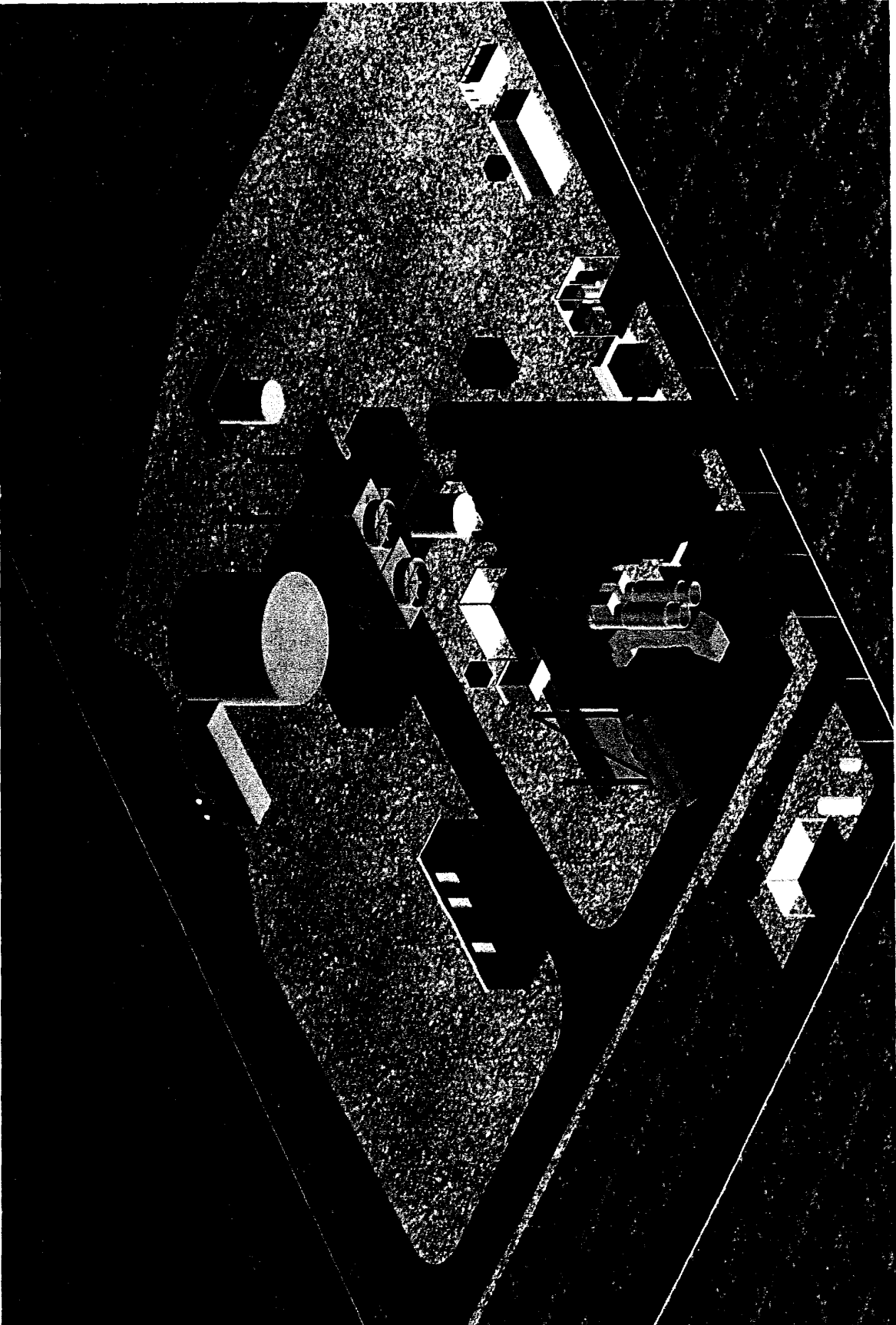
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#### Sunday, September 30, 2001

- 10:30 - 12:30 p.m. Land. 7<sup>th</sup> Day Adventist Church Pet Hobby Fair, 1240 S. Central (serving as a judge).
- 11:00 - 3:00 p.m. Nakanishi and Pennino. Celebration on Central (Council will have a booth).

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#### Monday, October 1, 2001



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